

COMMONWEALTH OF KENTUCKY
BEFORE THE UTILITY REGULATORY COMMISSION

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In the Matter of:

THE MEASURED SERVICE RATE)	
TARIFF FILING OF SOUTH)	CASE NO. 7871
CENTRAL BELL TELEPHONE)	
COMPANY)	

O R D E R

On May 9, 1980, South Central Bell Telephone Company made a tariff filing with the Commission, wherein it proposed regulations and rates establishing optional measured rate telephone service.

On May 29, 1980, the Commission found that an investigation and hearing would be necessary to determine the reasonableness of the tariff filing and issued an Order suspending the tariff filing for a period of five (5) months from the proposed effective date of May 29, 1980. On July 22, 1980, the Department of Law, Division of Consumer Intervention, made a motion to intervene and was granted leave to participate in the proceedings. On August 21, 1980, a hearing was held at 10:00 a.m., EDT, in the Commission's offices at Frankfort, Kentucky. On September 10, 1980, the tariff filing was amended to reflect the effect of rate adjustments authorized by the Commission in Case No. 7774.

The Commission, having heard testimony in the matter, considered the evidence of record, and being advised, is of the opinion and finds:

1. South Central Bell's proposal to introduce local measured service is an innovative alternative to flat rate service. This Commission and South Central Bell, as well as other Commissions and Bell System Operating Companies, have long been aware of the need for an alternative to flat rate service. Local measured service provides such an alternative.

2. Local measured service more equitably distributes the cost of telephone service. Flat rate service is cost but not use sensitive. Thus subscribers are charged the same amount, irrespective of telephone use. Local measured service is both cost and, more importantly, use sensitive. Thus the overall cost of telephone service can be distributed on the basis of telephone use.

3. Local measured service will be provided on a optional basis, allowing subscribers to select either measured or flat rate service, whichever may be to their particular economic advantage.

4. The proposal to restrict local measured service to South Central Bell's Frankfort Exchange will allow the Commission an opportunity to monitor its implementation and gather information on local measured service.

IT IS THEREFORE ORDERED, that South Central Bell's Local Measured Service tariff filing be and it hereby is approved, effective on and after the date of this Order. The pages of the tariff filing hereby approved are:

General Subscriber Services Tariff

Section A1	4th Revised Page 3
	5th Revised Page 6
	Original Page 6.1
	1st Revised Page 10
	2nd Revised Page 11
Section A2	4th Revised Page 6
	5th Revised Page 17
Section A3	7th Revised Page 2
	31st Revised Page 21
	18th Revised Page 26

IT IS FURTHER ORDERED that within twenty (20) days from the date of this Order, South Central Bell shall file revised tariff pages with the Commission stating the rates, rules and regulations herein approved.

IT IS FURTHER ORDERED that within thirty (30) days from the date of this Order, South Central Bell shall file with the Commission a plan to monitor measured service subscriptions and revenues in comparison to flat rate service subscriptions and revenues for affected exchanges.

Done at Frankfort, Kentucky, this the 29th day of October, 1980.

UTILITY REGULATORY COMMISSION

Chairman

Vice Chairman

ATTEST:

Commissioner

Secretary